



The President's Daily Brief

~~Top Secret~~ 3 December 1968



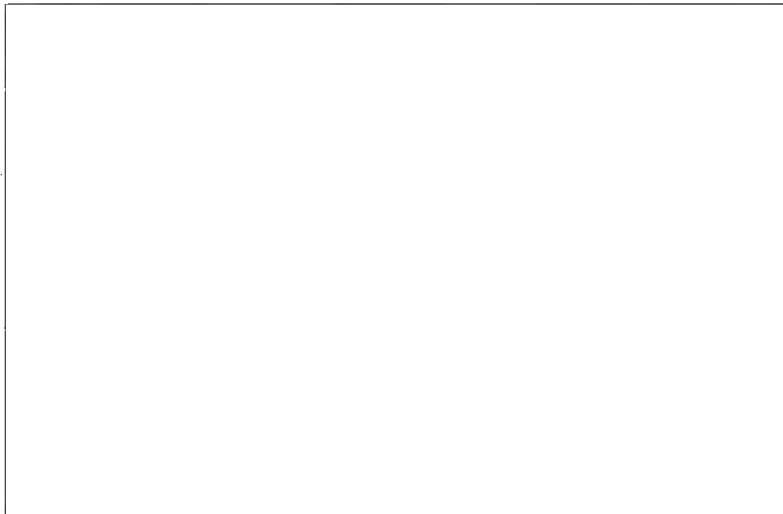
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THE PRESIDENT'S
DAILY BRIEF
3 DECEMBER 1968

1. France

The franc is maintaining its own on international markets, but domestic holders continue converting to gold. There are other clouds on the horizon, too. Workers at the big Renault plant are threatening to strike if management refuses new concessions when their labor contract comes up for renewal the end of this month. Student unrest also has increased in recent days.

2. South Korea



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3. Philippines

Marcos, disturbed over what he feels is an "air of hostility" toward the Philippines in Washington, may seek to meet with President-elect Nixon before the inauguration. Marcos did some preliminary brick and mortar work on his relations with the US last weekend when he reshuffled his cabinet and put strongly pro-American Carlos Romulo in as foreign affairs secretary.

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4. Soviet Union

The men who threw out Khrushchev in 1964 were united in little more than their desire to get rid of him. Their differences and disagreements persist. Today at Annex we discuss some of these strains in the collective leadership.

5. Mexico

Barring an incident that could rekindle tempers, there is a good chance the students will be back in their classrooms by the end of the week. Aware that a year's credits could be lost--and that the government is prepared to shut down the universities--the students' strike council has voted to end the four-month-old strike.

6. Ecuador

The cabinet resigned last night and President Velasco began making new appointments. At least two of his new ministers are extreme leftists.

Velasco is three months into his fifth try at governing a nation so beset with economic and social ills that it is almost unmanageable by anyone

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There is mounting urban violence. Slum-dwelling peasants are appropriating private land. The Communists are increasing their strength in the labor movement. And the economy continues its inflationary spiral. Velasco just cannot seem to come to grips with these problems and the army--although wary at the moment--may finally move in to relieve him as it has done in three of his four previous presidencies.

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7. Panama

Relations between Panama and Costa Rica are becoming strained as the Panamanian National Guard clashes with Arias' Costa Rican - based guerrillas. Last night the Costa Ricans closed their border with Panama.

There have been several fights between the Guard and infiltrating guerrillas over the past few days. In one instance, guardsmen crossed into Costa Rica to gun down an Arias man. The deposed president is reported planning to go to Costa Rica himself and, perhaps, enter Panama. This might rally his followers, but it would not improve his chances of successfully overthrowing the junta.

ANNEX

Tensions Within the Soviet Leadership:
Some Recent Indications

The group of leaders which ousted Khrushchev in 1964 was united in little beyond its desire to be rid of Khrushchev himself. It contained, in fact, men who felt he was not modernizing the Soviet system fast enough and those who felt he had already made too many changes. These disagreements have persisted down to the present, constantly straining the collective leadership's facade of unity.

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The most recent report of tension among top Soviet officials [redacted]

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[redacted] Brezhnev and his fellow hard-liners lacked a clear majority in the Soviet Politburo when policy toward Czechoslovakia was being hammered out in August and had carried their case only by appealing to provincial party leaders.

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We have another report that candidate members of the Politburo--who do not ordinarily vote--were called to Moscow on the critical weekend to break a deadlock among the regular members. Thus it seems likely that there was indeed a serious split in the Politburo at the time of the invasion, but we are reasonably sure that all factions outwardly accepted the decision once it was made.

Another dispute--one in some ways with even more far-reaching implications than the one over Czechoslovakia--has been simmering since early last year. It involves a veiled but clearly discernible public debate between Brezhnev and Kosygin, and it is triggered in part by a fundamental difference over the relative effectiveness of Communist and Western forms of economic organization. The debate centers on the extent to which Moscow should make use of "foreign" (i.e. Western) technological innovations. Kosygin claims that Western "monopolies," in their competition for profits, are refining their production and management techniques much faster than the Communists. He warned last February that the Soviets "can be left behind" unless they study

what the West has learned. Brezhnev in rebuttal has extolled the superiority of "socialist" methods and emphasized what is to be learned from other Communist countries.

This debate has persisted, with some semantic variations by each side, up to the present. In an important speech on 6 November, Politburo member Mazurov made references to the problem and treated it--in a way which resembles other attempts of the present leadership to avoid head-on conflicts--by throwing both points of view into the stew and leaving everyone free to pick out what suits his taste.

While the formal dispute thus remains unresolved, Kosygin's point of view was embodied in three decrees in October dealing with economic reform, agricultural science, and research and development in general. In each case, although the language is sometimes circumspect to avoid stepping too heavily on any toes, clear emphasis is given to the importance of learning from "foreign" innovations. The next test of strength--the implementation of the decrees--presumably is under way now.

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FOR THE PRESIDENT'S EYES ONLY

- 1.) Special Daily Report on North Vietnam
- 2.) North Vietnamese Reflections of US
Political Attitudes.



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Special Daily Report on North Vietnam
for the President's Eyes Only

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I. NOTES ON THE SITUATION

Hanoi's Postwar Intentions for the South: []

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[] the
North Vietnamese are convinced they can eventually
topple the Thieu government. []

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[] the
Hanoi leaders believe that "sooner or later" the Sai-
gon government would be replaced by a "new democratic
government disposed toward the North." []
[] the Communists have drawn up a list of "traitors"
and their families in South Vietnam numbering about
100,000, including 20,000 in Saigon and 10,000 in
Hue. [] some party officials believe these
people should be herded into concentration camps fol-
lowing the expected Communist takeover, there to await
a final decision as to how they will be handled as
"traitors to the motherland."

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On Talks: Hanoi propaganda is becoming shriller
on several issues connected with the Paris talks.
The Communists lose few opportunities to exploit is-
sues which they think will sow dissension between
Washington and Saigon, and in a Foreign Ministry
statement of 28 November, Hanoi used language which
was deliberately designed to raise Saigon's tempera-
ture. In countering Saigon's claims that it would
talk only to Hanoi and not the Front, the Foreign
Ministry statement said that "there was no question
of talks between Hanoi and Saigon to solve the Viet-
nam problem."

This new language may be essentially a para-
phrase of the usual Communist demands that to solve
the war the US has to talk to the Liberation Front,
a demand which assures the Front of a pre-eminent
role in the new stage of the negotiations. The new
language, despite the tough tone, does not, however,

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preclude the anticipated discussions including all parties and would appear to leave room for maneuver on who talks to whom on lesser issues.

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Infiltration: Recent intercepts have confirmed earlier indications that at least six infiltration groups are en route south between Thanh Hoa and Vinh.

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The six groups most recently observed have been moving by train. Their numerical designators indicate that their destination is the III Corps area of South Vietnam.

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Sick and Wounded Personnel: During the past week there have been additional indications that the Rear Services manpower system is still devoting major effort to the evacuation of sick and wounded troops. This northward movement is being undertaken with the troop trains which take infiltration groups south. It is apparent, however, that not enough trains are available to accommodate the large numbers of disabled personnel who need to be moved.

On 25 November a message referred to the requirement for railroad cars "with roofs" at Cua Giat in order to transport wounded. Another message on the same day noted that there had been no cars at Hoang Mai for the past few days. On 28 November an unidentified Rear Services commander ordered that the movement of sick and wounded personnel was not to be held up and indicated that he was requisitioning vehicles to keep them moving. Other messages have revealed the backlog of sick and wounded is so great at several points in the pipeline that trucks, ambulances, automobiles, and human bearers are being used to compensate for the lack of rail transportation.

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II. NORTH VIETNAMESE REFLECTIONS OF US POLITICAL ATTITUDES ON THE WAR

Connecticut Student Rally Noted: Hanoi Radio has publicized a student rally at the University of Connecticut held on November 26 to protest the war and to harass the recruiting efforts of the Dow Chemical Company. The broadcast claimed that more than a hundred students participated in the demonstrations.

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